

Approved For Release

*Handwritten:*  
 ... Paul NITZE  
 ... Vance  
 ... William P. BUNDY  
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# Allen-Scott Report

## 'Palace Guard,' Pentagon Chiefs At Odds Over No. 2 Defense Job

By ROBERT S. ALLEN and PAUL SCOTT

Defense Secretary McNamara has a new hectic hassle raging right inside his own agency.

It is a furious backstage clash over who is to succeed Deputy Defense Secretary Roswell Gilpatric when he leaves this spring.

Scrambling vigorously for this prize is the "palace guard" of the White House, which is backing Paul Nitze, assistant defense secretary for foreign affairs.

Choice of Pentagon leaders, including McNamara, is Army Secretary Cyrus Vance, who came to the Defense Department from the Senate, where he served as counsel of the Space Committee.

MASTERMINDING the "palace guard" is McGeorge Bundy, powerful, ambitious special assistant to the President on foreign affairs.



Mr. Allen

Other members of the former Harvard dean's clique include Arthur Schlesinger Jr., special presidential assistant; Dr. Walt Rostow, chairman of the State Department Policy Planning Commission, and Averell Harriman, newly named undersecretary of state for political affairs.

This coterie is bombarding President Kennedy to name Nitze, one of their closely knit group, to replace Gilpatric when he leaves to return to private industry.

A close friend of Vice President Johnson, Vance has enlisted his support for the No. 2 defense job, which has become the department's main operational command post as McNamara spends most of his time making policy.

THIS GREATLY expanded authority is the powerful magnet that has attracted the Bundy clique. They see it as a golden opportunity to enlarge and entrench their already exclusive influence.

This undercover aim has been revealed in discussions the group had with the President. They pressed the argument that Nitze's experience in dealing with other departments and foreign governments is needed because of the power of the No. 2 defense position.

In fact, inference is clear that Vance is too young and inexperienced to wield the author-

ity. McNamara has vested in his deputy secretary.

Supporters of Vance are convinced this is no the real reason for the backstage drive against him. They contend the Bundy clique is opposing the Army secretary because of his close ties with Vice President Johnson and key congressional leaders.

In urging Vance's promotion, McNamara is making much of this very point. He holds that Vance's high standing with these legislators will be a much-needed asset for the Defense Department.

THE BUNDY group, which now reaches into almost every field of foreign policy, is taking full credit for Harriman's promotion from assistant secretary for Far Eastern affairs to the State Department's No. 3 job.

In effect they are indicating that Harriman will be their "secretary of State" with Secretary Rusk assuming an increasingly ceremonial role.

As spokesman of the "palace guard," Bundy, who operates what has come to be known as "the little State Department," is passing around word that Harriman will be in charge of (1) policy decisions on Southeast Asia, (2) the India-Red China dispute, and (3) negotiations on Berlin.

Significantly, Harriman has recommended to the President that William Bundy, brother of the potent White House assistant, be named to the 71-year-old diplomat's former State Department position.

William Bundy is now deputy to Nitze. Before going to the Pentagon, he was in the Central Intelligence Agency during the Eisenhower administration.

FOREIGN FLASHES—Algeria is sending 40 officers to Russia for "advanced military training." Before leaving for Moscow, the group was inspected by Col. Houari Boumedienne, Algerian defense minister.

A Cuban shipping pilot, who took more than 40 Soviet vessels into Havana, has defected. He is now telling his story to the Senate Internal Security subcommittee. The Cuban confirmed reports that radioactive material was aboard one of the Red vessels that clocked in Havana in January.

State Department records show that Averell Harriman, new No. 3 man, is a de facto recognition of Communist East Germany. He will be quizzed about this when he appears before the Senate Foreign Relations Committee for confirmation.